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Country programme outline for Libya (2003-2005) *

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* The collection and analysis of current data required to present the Executive Board with the most up-to-date information has delayed submission of the present document.

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Introduction

1. The country programme outline for Libya for 2003-2005 has been formulated on the basis of extensive consultations with national authorities and other partners.

I. Situation analysis

2. After a period of economic stagnation in the 1990s, development prospects in Libya are now considerably improved. Following the suspension of United Nations sanctions in 1999, the country has begun to benefit from resumed economic growth and a rise in foreign investment. Nonetheless, important development challenges remain.

3. Libya is a medium-developed country, ranked 59th out of 162 countries in the United Nations Development Programme's (UNDP's) human development index in 2001. Overall human development indicators are among the best in the African continent and above the mean for the Arab world.* In 1999 average gross domestic product (GDP) per capita was $7,070 (purchasing power parity), and average life expectancy was approximately 70 years. Infant mortality is less than 20 per 1,000 live births, less than a fifth the level in 1970. Measles and tuberculosis immunization rates for one year olds are close to 100 per cent. The entire population has access to adequate sanitation facilities and essential drugs. Basic educational and gender indicators are also good. Libya has an adult literacy rate of 79 per cent and a gross education enrolment rate of 92 per cent, levels that are among the best in the region. The literacy rate for adult women is 67 per cent and female enrolment at the secondary level is almost the same as that for males. In addition, women have a level of representation in most areas of work and society comparable to that in countries high on the human development index.

4. Libya is, therefore, well placed relative to almost all of the millennium development goals for 2015 and for fulfilling its obligations to other global conferences. However, gaps remain. Economic difficulties affect some of the population who live outside the modern urban sector, especially in poorer parts of the country. The economy continues to depend significantly on foreign labour, although at the same time unemployment among Libyans is high. As Libya's integration into the international economy continues, the need for improved labour competitiveness is certain to grow. The hydrocarbons sector, which accounts for some 30 per cent of GDP, is likely to grow during the coming decade. However, the need for economic diversification and strengthening other sectors remains important, both to absorb the growing numbers of young people entering the workforce and to provide greater sustainability to economic development and reduce susceptibility to fluctuations in oil prices. Challenges remain in other areas of human development. Women's welfare and gender issues and the threat posed by HIV/AIDS have only a low profile in public life. Recognition has also grown that there is a need for increased environmental management, an area which it has previously been easy to overlook given the very large size of the country and its small population.

5. In 2000 the Libyan General People's Congress and the Government authorities embarked on an ambitious programme of decentralization, abolishing most central government functions and making the devolution of responsibility to 31 governorates (*sha'biyat*) a national priority. This has highlighted a need for capacity building to support the decentralization process, in particular at the governorate level. It also presents an opportunity to respond more accurately to some of the country's development needs, through increased needs-based targeting of resources. Complementing this, support is needed for a number of central authorities to develop capacity in areas such as environment and information and communications technology (ICT) and to upgrade public services. Such support at the central and governorate levels is valuable for assisting the development of the country and contributing to economic reform. As of 2002, the public sector employed some 70 per cent of the workforce. Consideration has begun to be given to ways of reforming the public sector, but little reform has yet been attempted. A new short term national development plan is due to begin from 2003. However longer term strategies for the development of the economy have yet to be decided on.

II. Past cooperation and lessons learned

6. The principal thematic areas covered in the first country cooperation framework (CCF) were : (a) human resource development and capacity building; (b) environment and natural resource management; and (c) economic diversification and participatory development. A number of important results were achieved. The publication of the first national human development report (NHDR) for Libya in

* See the first Libya Human Development Report, 1999, http://www.nidaly.org/tnmia/main.htm; http://www.undp-libya.org/Libyafacts.htm and the *UNDP global Human Development Report, 2001.*

1999 was a very positive step in promoting the collection and dissemination of information about sustainable human development in Libya. The report was followed up by symposia and workshops to discuss implications for policy formulation, and was used in the preparation of the new national development plan. Importantly, the report has also led to the preparation of a second NHDR focused on development at the local level, which will be used as a basis for revising central budget allocations to the governorates. Also at the upstream level, UNDP support to the general planning council has been instrumental in building national capacities for macro-economic assessment and policy formulation and coordination. Good results have also been achieved in the field of tourism, for which a long term national tourism development plan was formulated and adopted by the government and a programme undertaken to rehabilitate a World Heritage Site, the old town of Ghadames.

7. Most project reviews and terminal assessments concluded that project implementation during the first CCF was largely successful and immediate objectives achieved.† However, a lack of measurable outcome indicators in project and programme documents, and a lack of post-project evaluations, made it difficult to assess the impact and sustainability of results. Interventions also suffered from being dispersed and having few interlinkages. Some interventions, though aimed at developing the technical and operational capacities of national institutions, were found to have paid insufficient attention to the need to establish complementary policy frameworks. Moreover, project results depended heavily on securing reliable funding and a high level of government participation and ownership. The demand driven and fully nationally funded nature of UNDP's programme in Libya, as a net contributor country (NCC), also contributed to difficulties in restricting the range of interventions.

8. *Lessons learned*

(a) In the light of recurring delays in the delivery of government cost-sharing contributions during the first CCF, steps should be taken to ensure more timely delivery during the new country programme and to use conservative projections of likely delivery rates;

(b) As a NCC, Libya does not receive regular resources or have access to support for programme and policy development/support for technical services (SPPD/STS) funding. In order to facilitate development of programme ideas and generate partner interest, the country office should therefore explore ways of mobilizing independent seed money;

(c) In designing the new country programme, efforts should be made to minimize the potential impact of fluctuations in the economy and changes in the structure and roles of Libyan authorities;

(d) Efforts should be made to increase programme coherence and national ownership, with the national execution modality being initiated on a pilot basis;

(e) Following the completion of the office reprofiling during the first CCF, steps must be taken to develop programme staff and overall substantive capacity should be reassessed before mid-programme.

† See 'Co-operation between the Great Jamahiriya and International Organisations in Development', UN RC Office and Libyan GPC for Foreign Liaison and Co-operation, 1999; http://www.undp-libya.org/Reports.htm.

III. Proposed programme

9. Discussions with the Libyan authorities have led to the identification of development planning capacities, the structure of the economy and the management of decentralization as the main development challenges and priorities facing the country. Consistent with UNDP's mandate of working for sustainable human development and its reorientation towards upstream activities, the new country programme for Libya will therefore focus on three thematic areas which are closely and strategically interlinked:

A. *Capacity-building for sustainable human development and public sector reform;*
B. *Economic diversification; and*
C. *Decentralization and local governance.*

Within these three areas the programme will pursue outcomes that are mutually reinforcing. These lie principally within UNDP's strategic results framework (SRF) goal of governance, but also within the SRF goal areas of poverty reduction, environment and UNDP support to the United Nations system. Across all three thematic areas, work at the upstream policy level will be reinforced by linkages to selected downstream activities at the governorate and field level.

A. Capacity-building for sustainable human development and public sector reform

10. The renewed growth of the Libyan economy following the suspension of United Nations sanctions presents a valuable opportunity to influence positively Libya's development planning and management capacities. Building

on co-operation in the first CCF, the programme strategy for this area will, therefore, encompass the following initiatives:

11. *Increased public awareness and debate on sustainable human development (SHD) and incorporation of SHD approaches into national planning processes.* UNDP will work with the national statistical authority to help implement the second NHDR, focused on local-level development, and assist in the production of subsequent NHDRs. In cooperation with United Nations Information Centre (UNIC), public workshops and seminars on SHD issues will be held, focusing on specific issues such as environment, gender and HIV/AIDS. UNDP will promote the adoption of SHD approaches in national planning, building on an established partnership with the general planning council. It will also support efforts to build on gender-disaggregated data from the NHDR, and promote women's advancement through joint initiatives with civil society organizations, UNIC and the United Nations Children's Fund (UNICEF).

12. *Increased awareness and support at the country level for the global agenda for sustainable human development.* UNDP will assist in the preparation and completion of a national survey on the status of Libya relative to the recommendations and targets of global conferences. UNDP will work with the general planning council to promote inclusion of key conference goals and targets in national planning. To ensure sustained results in this area, UNDP will aim for the establishment of progress monitoring mechanisms and build reporting capacity for subsequent global conferences.

13. *Improved national capacity for sustainable environment management and development.* After the submission of Libya's first national communication to the Conference of Parties of the United Nations Framework Convention on Climate Change (UNFCCC), UNDP will provide follow up support. Working with the Libyan Environment General Authority (EGA), UNDP will provide technical assistance for an environment national capacity self assessment funded by the Global Environment Facility (GEF). In addition UNDP will support EGA in building capacity to improve coordination on environmental and SHD issues. Sectoral environmental evaluation studies will also be prepared.

14. *Improved standards and efficiency in the delivery of public services.* UNDP will focus on upgrading civil aviation, meteorological and ICT services, building on partnerships developed during the first CCF with the respective national authorities, the International Civil Aviation Organization (ICAO), the World Meteorological Organization (WMO), and a UNDP regional ICT programme. Outputs will enable Libya to meet relevant international civil aviation standards and help the country fulfil its commitments to the United Nations conventions on climate change, biodiversity and desertification control.

15. Results in each of these areas will contribute to the overall objective of building capacity for SHD and bringing about public sector reform. They will also support and be reinforced by results being sought in the second two programme areas.

B. Economic diversification

16. Economic diversification is an important need for development in Libya. However, growth in two areas of recognized potential has been disappointing. Tourism has been held back by a lack of tourist services, skills and capacity. Meanwhile development of agriculture and animal and marine resources has been below the sectors' true potential, due in part to a lack of information and accurate planning. The programme strategy in this thematic area will, therefore, encompass the following initiatives :

17. *Improved work skills and new economic opportunities especially for young entrants to the workforce and women.* UNDP will pursue this through building on its work in developing opportunities in tourism, providing support to the High Authority for Tourism and Antiquities (HATA) for the implementation of a national tourism development plan (previously prepared), and extending its experience of heritage restoration from Ghadames, a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site, to other heritage areas in the country and supporting surrounding development of tourism services. Complementing this, UNDP will provide advisory services to HATA and governorates on attracting and managing foreign investment in tourism. UNDP will also seek to develop a sustainable microcredit scheme in co-operation with relevant financial and governorate authorities, to promote new work opportunities for disadvantaged groups. To promote youth skills development UNDP will provide support to educational reforms initiated by the government for specialized schools and the introduction of information technology (IT) into the school system.

18. *Improved information about and management of natural resources.* UNDP will focus on the establishment of a comprehensive national database for natural resources, based on a remote sensing system, which will be managed

by the General Authority for Agricultural, Animal and Marine Wealth. UNDP will promote use of the database to support economic and development policy making and buttress environmental assessments and reporting.

C. Decentralization and local governance

19 . The programme of decentralization recently embarked upon in Libya presents a valuable opportunity to contribute to the reduction of development imbalances in the country and the achievement of long term sustainable human development. The Libyan government authorities have requested assistance to support the decentralization process, especially in capacity building. The programme strategy in this area will, therefore,encompass the following initiatives :

20. *Increased financial and human resources mobilized and allocated in support of decentralization.* UNDP will implement pilot interventions in support of decentralization in selected governorates, covering capacity building, ICT, basic health and job creation. Synergies with initiatives in the thematic area of economic diversification will be pursued (e.g. in microcredit) and opportunities for expansion of the pilot schemes will be explored in the light of initial results and contribution to overall objectives.

21. *The development of mechanisms supporting decentralization and local governance.* UNDP will work with the general planning council, the National Authority for Information and Documentation (NAID) and governorates to advance the incorporation of local development mapping data into national and governorate planning and budget allocation processes. It will also explore options for establishing information management systems for decision-making and governance across central and local levels.

22. In working with Libyan Government partners across the three programme areas, UNDP will seek to build its position as a partner for technical and methodological guidance on policy and institutional development; as a facilitator for programme implementation; and as a partner in the mobilization of additional resources. The presence and level of activities of the United Nations system in Libya is limited, and as a result, harmonization of such programmes is not applicable. Therefore, an United Nations Development Assistance Framework (UNDAF) is not planned at this stage. However, where possible, UNDP will pursue joint initiatives with partner agencies such as UNICEF and the Food and Agriculture Organization (FAO). It will also seek to increase partnerships with civil society organizations, non-governmental organizations (NGOs) and academic institutions.

IV. Programme management, monitoring and evaluation

23. UNDP will jointly manage the programme with Libyan Government counterparts. Periodic oversight and coordination meetings, chaired by the Government, will be held to review progress against outcome indicators, decide on programme adjustments, endorse project proposals, review the financial situation and agree on any changes that might be required. The country office will strengthen existing coordination mechanisms, and build on a recent practice of collaboration and exchange between institutions and individuals working in different initiatives.

24. The country office will apply UNDP's results-oriented monitoring and evaluation framework and procedures, in accordance with the outcome- and results-oriented design of the country programme. The country office will formulate an evaluation plan at the start of the programme. Where possible, monitoring will be conducted jointly between the country office and national counterparts, in order to maximize its value and build national capacity in monitoring and evaluation. A mid-term programme evaluation will be carried out and in addition three specific outcome evaluations; one of these will be on the achievement of improved standards and efficiency in the delivery of public services, the largest single focus of programme resources. Supporting this, the country office will seek to improve use of the results-based management system (RBMS) and the related strategic and management results frameworks.

25. In consultation with the government and taking into consideration the capacity of the institution, at least one project will be selected for national execution. This will be supported by intensive training for counterpart personnel in execution and accountability procedures. The mid-term programme evaluation will specifically review the experience with this and make recommendations on it,, in addition to reviewing overall progress and performance in the programme. United Nations agency execution will continue to be used where appropriate. As a principle, the programme will encourage the use of national professionals and expertise.

26. The country programme will be principally funded by the Libyan Government. UNDP will seek to mobilize additional resources and will try to reach an agreement with

the Libyan government on sources of seed money for programme development. The resource mobilization target of $13 million is based on the past average yearly delivery rate. However, the country office will enlarge the programme within its three focus areas if government contributions and the delivery rate allow. On the basis of a total resource mobilization of $13 million, it is estimated that the distribution of resources across the three programme areas will be $7 million in capacity building for SHD and public sector reform; $3.5 million for economic diversification; and $2.5 million for decentralization and local governance.

Annex

Results and resources framework for Libya (2003-2005)

Objective A: Capacity-building for sustainable human development and public sector reform

Strategic areas of support	*Intended outcomes*	*Indicators of outcome or purpose*	*Outputs, including key output indicators, where needed*	*Resources by strategic area of support/outcome or programme area (in thousands of US dollars)*
Policy dialogue	Increased public awareness and debate on sustainable human development and incorporation of SHD approaches into national planning processes	• Level of media coverage of 2nd NHDR and discussion about SHD (*Baseline 2002:* Level of coverage of 1st NHDR and substantive reports on SHD in 2001 and 2002) • Use/impact of SHD in national/local planning and policy (*Baseline 2002*: Limited use of SHD approaches in planning)	• 2nd NHDR focused on local-level human development disseminated and arrangements made for regular production of subsequent NHDRs. • Public workshops held on SHD issues, including gender and HIV/AIDS • Gender-disaggregated data from 2nd NHDR used by planning bodies, supported by joint initiatives with civil society organizations, government, United Nations partners and a regional workshop	*Regular resources:* - *Other resources:* 250 *Total:* 250
Resident Coordinator leadership on the global agenda	Increased awareness and support at the country level for the global agenda for sustainable human development	• Systematic and regular national assessments and reports on progress towards MDGs and targets of other international conferences (*Baseline 2002:* No systematic assessments or regular reporting)	• Survey on status of conferences' implementation completed and preparations made for subsequent conferences • Key conference goals and targets included in national planning, and progress monitoring mechanisms established	*Regular resources:* - *Other resources:* 50 *Total:* 50
Global conventions and funding mechanisms	Improved national capacity for sustainable environment management and development	• Implementation of relevant and up-to-date environmental strategy and management plan(s) (*Baseline 2002:* 'First National Report on the Environment')	• Steps taken to follow up on the 1st national communication for the UNFCCC and national environment capacity needs identified • Mechanism(s) to enhance coordination on environmental and SHD issues developed • Evaluation studies prepared for environment sectors (e.g. groundwater, seawater, biodiversity, eco-tourism)	*Regular resources:* - *Other resources:* 800 *Total:* 800
Civil service accountability	Improved standards and efficiency in the delivery of public services	• Progress towards international standards in civil aviation, communications and meteorology services (*Baseline 2002:* ICAO audit 2001; insufficient pollution data; telecommunications and internet penetration only 12 per cent and <1 per cent)	• Civil aviation and meteorological facilities and services upgraded • National ICT authority strengthened and national ICT development strategy formulated • New fields for action in public services (e.g. communications, statistics, data dissemination systems) identified and evaluated	*Regular resources:* - *Other resources:* 5,900 *Total:* 5,900

Objective B: Economic diversification

Strategic areas of support	*Intend d outcomes*	*Indicators of outcome or purpose*	*Outputs, including key output indicators, where needed*	*Resources by strategic area of support/outcome or programme area (in thousands of US dollars)*
Productive resources and assets	Improved work skills and new economic opportunities especially for young entrants to the workforce and women	• Youth and overall unemployment levels (*Baseline 2002:* Youth unemployment rate estimated at 20 per cent and overall unemployment above 10 per cent)	• Capacity improved for implementation of national tourism development plan and experience of restoration of Ghadames extended to other national heritage areas • Sustainable micro-credit scheme(s) and capacity to promote small enterprise and new jobs for disadvantaged groups (including women) developed • Education reform, focusing on specialized schools and introduction of IT education assisted	*Regular resources:* - *Other resources:* 2,300 *Total:* 2,300
	Improved information about and management of natural resources	• Existence and use of complete and standardized database (*Baseline 2002:* Dispersed and non-standardized databases)	• Comprehensive standardized national database for natural resources established, drawing on remote sensing techniques for geo-data • Access to information for natural resources planning and monitoring facilitated	*Regular resources:* - *Other resources:* 1,200 *Total:* 1,200

Objective C: Decentralization and local governance

Strategic areas of support	*Intended outcomes*	*Indicators of outcome or purpose*	*Outputs, including key output indicators, where needed*	*Resources by strategic area of support/outcome or programme area (in thousands of US dollars)*
Decentralization policies	Increased financial and human resources mobilised and allocated in support of decentralization	• Changes in distribution and levels of financial resources for governorates (*Baseline 2002:* Resources allocated by population levels rather than development needs	• Pilot interventions in support of decentralization in selected governorates implemented, covering capacity building, ICT, basic health and job creation (including for women) • Options for expansion of pilot experience identified and evaluated	*Regular resources:* - *Other resources:* 1,900 *Total:* 1,900
	Enhancement of mechanisms supporting decentralization and local governance	• Existence and use of governorate-national information management systems (*Baseline 2002:* No intra-government information management system)	• Governorate-level human development mapping further incorporated into national and governorate planning and budget allocation processes • Information management systems established for decision-making and governance (central and local)	*Regular resources:* - *Other resources:* 600 *Total:* 600